

# The Market Place

- Global equities contracted by -1.4% last week
- Janet Yellen said it's too soon to rule out the threat of a US recession
- Brent crude rose by 4.8% to \$78.47 per barrel
- Gold rose by 0.3% to \$1925.05 per ounce

## US

US equities fell -1.1% last week, with insurance and utilities outperforming while homebuilders and healthcare underperformed. US markets had a half day on Monday and were closed on Tuesday for Independence Day

ADP Nonfarm employment change for June was 497k (vs. 228k expected), and non-manufacturing Purchasing Manager's Index (PMI) for June was 53.9 (vs. 51 expected)

US month-on-month average hourly earnings growth for June was 0.4% (vs. 0.3% expected)

Janet Yellen said it's too soon to rule out the threat of a US recession, but data suggests "that there is a path to bring inflation down in the context of a healthy labour market."

## Europe

European equities fell -3.1% last week, with all sectors in the red; construction and healthcare were worse, whilst basic resources and banks performed better

European Central Bank's Mario Centeno is confident inflation has peaked and is quickly receding and suggested underlying price growth will follow with a lag

German Manufacturing PMI for June was 40.6 (vs. 41 expected)

## UK

UK equities fell -3.7% last week

Andrew Bailey rejected the need for a higher than 2% Bank of England inflation target, saying changes could damage credibility and "unpick expectations."

UK Manufacturing PMI for June was 46 (vs. 47.2 expected), and construction PMI was 48.9 (vs. 51 expected)

UK Halifax Housing price index showed that prices contracted by -2.6% year-on-year in June (vs. -2.3% expected)

## Asia / ROW

Global emerging market equities fell -0.6% last week

Japanese equities fell -1.5% last week

Chinese equities fell -0.9% last week

Chinese consumer inflation was flat in June while factory-gate prices fell further, fuelling concerns about deflation risks and adding to speculation about potential economic stimulus

People's Bank of China again extended support for the Yuan with daily fixing. Premier Li Qiang pledged to "spare no time" in implementing a batch of targeted policies to strengthen the economy's recovery from the pandemic, he said in remarks at a seminar with researchers on Thursday, according to state-run CCTV

Australian interest rate decision for July was 4.1% (vs. 4.35% expected)



# Performance

Asset Class/Region	Currency				
		Week ending 7 July 2023	Month to date	YTD 2023	12 Months
<b>Developed Market Equities</b>					
United States	USD	-1.1%	-1.1%	15.3%	14.1%
United Kingdom	GBP	-3.7%	-3.7%	-1.2%	3.8%
Continental Europe	EUR	-3.1%	-3.1%	9.2%	13.4%
Japan	JPY	-1.5%	-1.5%	20.9%	23.1%
Asia Pacific (ex Japan)	USD	-1.2%	-1.2%	1.8%	-0.3%
Australia	AUD	-2.2%	-2.2%	2.2%	10.9%
Global	USD	-1.4%	-1.4%	13.5%	14.3%
<b>Emerging markets equities</b>					
Emerging Europe	USD	0.5%	0.5%	13.5%	47.7%
Emerging Asia	USD	-0.9%	-0.9%	3.1%	-1.5%
Emerging Latin America	USD	0.2%	0.2%	18.8%	30.9%
BRICs	USD	-0.6%	-0.6%	-1.0%	-6.3%
China	USD	-0.9%	-0.9%	-6.3%	-17.5%
MENA countries	USD	1.5%	1.5%	4.5%	-1.5%
South Africa	USD	-1.8%	-1.8%	-7.2%	-5.4%
India	USD	0.1%	0.1%	7.5%	16.0%
Global emerging markets	USD	-0.6%	-0.6%	4.2%	1.5%
<b>Bonds</b>					
US Treasuries	USD	-1.1%	-1.1%	0.6%	-2.9%
US Treasuries (inflation protected)	USD	-1.2%	-1.2%	0.7%	-2.8%
US Corporate (investment grade)	USD	-1.3%	-1.3%	1.9%	0.2%
US High Yield	USD	-0.6%	-0.6%	4.8%	6.8%
UK Gilts	GBP	-2.1%	-2.1%	-5.7%	-17.5%
UK Corporate (investment grade)	GBP	-1.1%	-1.1%	-2.1%	-8.7%
Euro Government Bonds	EUR	-1.4%	-1.4%	1.1%	-6.8%
Euro Corporate (investment grade)	EUR	-0.5%	-0.5%	1.6%	-1.6%
Euro High Yield	EUR	-0.2%	-0.2%	4.2%	8.1%
Japanese Government	JPY	-0.2%	-0.2%	2.6%	-0.2%
Australian Government	AUD	-1.1%	-1.1%	0.1%	-1.6%
Global Government Bonds	USD	-0.7%	-0.7%	0.2%	-3.0%
Global Bonds	USD	-0.9%	-0.9%	1.3%	-1.4%
Global Convertible Bonds	USD	0.6%	0.6%	5.5%	7.3%
Emerging Market Bonds	USD	-1.3%	-1.3%	1.9%	4.4%



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		Week ending 7 July 2023	Month to date	YTD 2023	12 Months
<b>Property</b>					
US Property Securities	USD	0.1%	0.1%	4.9%	-2.7%
Australian Property Securities	AUD	-1.8%	-1.8%	-0.2%	-3.8%
Asia Property Securities	USD	-1.5%	-1.5%	-8.4%	-12.1%
Global Property Securities	USD	0.1%	0.1%	1.2%	-4.8%
<b>Currencies</b>					
Euro	USD	0.5%	0.5%	2.4%	8.0%
UK Pound Sterling	USD	1.0%	1.0%	6.2%	7.0%
Japanese Yen	USD	1.6%	1.6%	-7.8%	-4.3%
Australian Dollar	USD	0.5%	0.5%	-1.7%	-2.0%
South African Rand	USD	-0.2%	-0.2%	-9.5%	-11.1%
Swiss Franc	USD	0.8%	0.8%	3.8%	9.7%
Chinese Yuan	USD	0.4%	0.4%	-4.5%	-7.2%
<b>Commodities &amp; Alternatives</b>					
Commodities	USD	1.3%	1.3%	-5.9%	-6.1%
Agricultural Commodities	USD	1.0%	1.0%	1.4%	4.8%
Oil	USD	4.8%	4.8%	-8.7%	-25.0%
Gold	USD	0.3%	0.3%	5.5%	10.5%
Hedge funds	USD	-0.2%	-0.2%	0.5%	1.6%



# Global Matters Weekly

10 July 2023

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